



Commonwealth  
of Massachusetts

## *OCPF Online*

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*Office of Campaign and Political Finance*

*One Ashburton Place, Room 411*

*Boston, MA 02108*

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### Advisory Opinion

April 11, 2002

AO-02-13

Ian Bayne, Chairman  
Massachusetts Republican Society PAC  
60 Leo Birmingham Pkwy., Suite 103  
Brighton, MA 02135

Re: Sharing of PAC office space and equipment

Dear Mr. Bayne:

This letter is in response to your February 22, 2002 request for an opinion regarding the sharing of the Massachusetts Republican Society PAC's office space by a consulting group that you have formed.

You have stated that you are the chairman of two PACs, the Massachusetts Republican Society state PAC and the Massachusetts Republican Society federal PAC. The PACs currently rent a small office for \$550 per month. Because the PACs share the use of the office space equally, each PAC pays 50% of the total rent. The lease is for a term that ends in August 2003. The PACs also share equally the cost of a telephone, mailing machine, computer and software. The mailing machine is used to seal, stuff and fold mailings. The software is used to affix a bar code to mail for the purpose of reducing postage costs.

You are also the sole proprietor of a consulting group that provides services to political candidates and committees. You would like to know if the consulting group, which is not incorporated<sup>1</sup>, may pay the PACs for a portion of the office rent and associated telephone, mailing machine, software and computer use.

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<sup>1</sup> If the PAC were to provide space or resources to a corporation, payment received from the corporation in exchange would raise issues under M.G.L. c. 55, § 8, which prohibits the use of corporate funds "for the purpose of aiding, promoting or preventing the nomination or election of any person to public office, ..."

During some months you would do no consulting work in the office, but in other months you would use the office and equipment about 20% of the time for consulting work.

QUESTION

May the consulting group reimburse the PACs for a portion of the office rent and a portion of the costs associated with telephone, mailing machine, software and computer use?

RESPONSE

Because the state PAC pays only 50% of the rent and equipment cost, the consulting group may, on a monthly basis, reimburse the state PAC for 50% of that portion of office rent and equipment cost that accurately reflects the percentage of time the office and equipment is used by the consulting group. This office cannot provide guidance regarding the consulting group's reimbursement of the federal PAC.<sup>2</sup>

For example, if in a particular month the consulting group were to use the office 20% of the time, it would be appropriate for the consulting group to reimburse the state PAC for 10% of the rent and equipment costs for that month, and such reimbursement would not be considered a contribution to the PAC. If, however, no consulting work is done during a particular month, the consulting group should make no payments to the PAC during that month. You should contact commercial vendors of mailing services to determine the value of mailing machine, software and computer use. If a mailing house would charge \$100 per month for such services, and the consultant group uses the office and equipment 20% of the time in a month, the amount of reimbursement to the PAC would be \$10.

Payments made by the consulting group to the state PAC that accurately reflect the extent of actual use of the office and equipment would not be considered contributions. *If, however, such payments do not reflect actual use*, the payments would be considered contributions from you personally to the state PAC. For example, if your consulting group uses the office and phone 20% of the time in a given month but does not use the mailing machine or software, any "reimbursement" given to the PAC for the mailing machine or software would be considered a contribution from you to the PAC. Because contributions from you to the PAC would be limited by Section 7A of the campaign finance law to \$500 per calendar year, you must be particularly careful to ensure that payments reflect actual use.

In addition, the PAC must keep detailed records to demonstrate that payments made to the PAC accurately reflect actual use by your consulting group. See M.G.L. c. 55, §§ 2 and 5. Such records should include, for example, a monthly tabulation of the hours the consulting group uses the office, and a description of items mailed by the consulting group, including the number of items mailed and the cost of such mailing.

This opinion is issued within the context of the Massachusetts campaign finance law and is provided solely on the basis of representations in your letter, including your statement that each PAC uses the office and equipment equally. The federal PAC may not contribute to the state PAC. See IB-82-02. Therefore, if the federal PAC provides any services to the state PAC, such as office space or

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<sup>2</sup> This office can only give advice regarding the application of the Massachusetts campaign finance law. You should contact the Federal Election Commission concerning the other part of your question, i.e., whether the consulting group can reimburse the federal PAC for use by the consulting group.

equipment, or pays more than its 50% share for the use of the office or equipment, the state PAC must promptly reimburse the federal PAC for the full value of such services. The state PAC is responsible for maintaining records to demonstrate that its payment of one-half of the costs associated with the office and equipment accurately reflects actual use.

Please contact us if you have further questions.

Sincerely,

A handwritten signature in cursive script, reading "Michael J. Sullivan", followed by a vertical line.

Michael J. Sullivan  
Director

MJS:gb